

From the Editor

Summer is here! GSA has just wrapped up a successful Training Conference & Expo in San Diego. We hope you all were able to attend our valuable training conference. Building upon all of the information you gained at EXPO, this issue of *GSA Steps* contains information about strategies to eliminate frustrated freight, new FAR rule changes, new educational videos regarding marketing to federal customers, and the Options Processes Ensuring iNtegrity (OPEN).

If you would like to provide feedback and/or have suggestions for subjects to cover in future newsletters, please feel free to contact Nichol West at nichol.west@gsa.gov.

Enjoy this issue of *GSA Steps*! ■



In This Issue

Is Your Freight Frustrated?

Page 2

New Federal Acquisition Regulation (FAR) Rule Change Impacting FAS Acquisition Vehicles

Page 3

GSA Investing in MAS Contractors' Success Through Contractor Readiness and Sustainment CPI Project

Page 4

New Series of Videos Help Vendors Market More Successfully to the Federal Government

Page 5

Green Corner

Page 5

Introducing Options Processes Ensuring iNtegrity (OPEN).

This fall, FAS is launching Options Processes Ensuring iNtegrity (OPEN), a new way to exercise options to extend the period of a contract. OPEN is the result of a process improvement analysis that greatly reduces the number of steps, introduces automated reports and documents, and underscores acquisition excellence and quality.

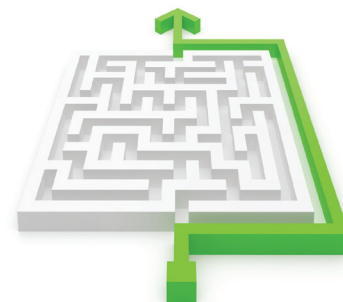
What does OPEN mean to a Schedule contract holder?

With OPEN, all Schedule contract holders will process options electronically via eMod. The automated Notifications of Intent will let contractors know what needs to be submitted and when to submit it. Contractors no longer needlessly have to submit paperwork that has previously been required such as:

- CCR
- ORCA
- Dun & Bradstreet past performances

Finally, an option is an UNILATERAL modification. This means that no other contract actions, (for example, renegotiating the basis of award), are done as part of the option modification. Bilateral modifications will be completed separately. This process will also help reduce the need for temporary extensions.

Additional information about OPEN will be found at the Vendor Support Center (www.vsc.gsa.gov), from your Procurement Contracting Officer, and from future articles in *GSA Steps*. ■



Is Your Freight Frustrated?

At any time a shipment can become Frustrated Freight. This is the term utilized throughout the federal government and industry when a shipment is impeded or stopped along the supply chain. This can result in long customer waits, late payments, penalty charges, and loss of shipments leading to reorders. Overall, the entire situation becomes frustrating.

This condition affects everyone in the supply chain from the original supplier to the end user, nobody is immune. Missing or incomplete paperwork is the first and foremost offender, some examples include:

- Transportation Control Number (TCN)¹
- National Stock Number (NSN)
- Military Shipping Label (MSL)

Ensuring that shipments are correctly marked is one step to decrease the probability of your freight becoming frustrated. Prior to shipping, here is some information you should examine.

1. **Review your contract!** GSAM 552.211-73 is the clause relating to 'MARKINGS'. Deliveries to civilian activities should be marked in accordance with the Federal Standard 123 edition in effect on the date of issuance of the solicitation. Deliveries to military activities should be marked in accordance with the Military Standard 129 edition in effect on the date of the issuance of the solicitation. Also note that this clause includes information regarding improperly marked materials which are subject to remarking fees. Currently the Vendor Support Center (VSC) provides detailed information related to both of these standards. https://vsc.gsa.gov/Marking_Labeling_Packaging/

2. **Clarify Shipping Instructions, if needed.** If the marking requirement in your contract is not clear, contact the ordering activity to request an explanation of the current shipping instructions. If you are delivering to a new customer it is recommended that you verify any shipping instructions with all parties that are involved in this process. Also when using freight companies, request confirmations to reduce confusion and maintain all documentation for future use.
3. **Shipped there before? Know the delivery requirements.** If you are shipping to the same location multiple times, such as one of the two GSA Distribution Centers,² ensure that you know the delivery requirements to avoid unnecessary delays. Some questions you should ask yourself are: Is an appointment is needed? What are the operating times of the facility? How much lead time would you need to account for?

It is important that GSA and our suppliers work together as efficient business partners. Frustrated Freight is not a problem that any one person can fix; everyone needs to be involved. ■



¹ Review previous Steps Newsletter Summer 2009: The All-Important Transportation Control Number (https://vsc.gsa.gov/common/modules/display/templates/sub_steps.cfm)

² Review previous Steps Newsletter August 2008: Scheduling GSA Distribution Center Deliveries (https://vsc.gsa.gov/common/modules/display/templates/sub_steps.cfm)

New Federal Acquisition Regulation (FAR) Rule Change Impacting FAS Acquisition Vehicles

Effective May 16, 2011, a new interim Federal Acquisition Regulation (FAR) rule implements Section 863 of the Fiscal Year 2009 National Defense Authorization Act. This new rule enhances the competition requirements for placing orders against multiple-award contracts and will directly impact FAS's acquisition vehicles, including:

- Federal Supply Schedules (FSS)
- Newly established FSS Blanket Purchase Agreements (BPAs)
- Governmentwide Acquisition Contracts (GWACs) such as ALLIANT
- Other Multiple Award Indefinite-Delivery-Indefinite-Quantity (MAIDIQ) contracts

Major Changes

Additional Competition Requirements and eBuy: A major component of this policy change requires fair notice be given to all contract holders offering the required supplies and/or services prior to placing an order or establishing an FSS BPA estimated over the Simplified Acquisition Threshold (SAT) (currently \$150,000). Posting Requests for Quote (RFQs) to e-Buy meets the standard of providing "fair notice to all contractors" for the affected FAS contract vehicles such as Schedules, GWACs, and certain MAIDIQ contracts, therefore GSA anticipates a significant increase in the use of eBuy. To maximize the effectiveness of eBuy for your company, it is recommended that you ensure your SIP file has been submitted and your company's information is displayed in GSA Advantage. This will automatically populate your information to eBuy. Additionally, ensure you are receiving RFQs by checking your eBuy profile to ensure the email address(es) in the system are correct.

Maximum Order Threshold and Simplified

Acquisition Threshold: The new rule replaces the Maximum Order Threshold (MOT) with the Simplified Acquisition Threshold (SAT) in the ordering procedures prescribed by FAR 8.405-1, 8.405-2 and 8.405-3. In other words, if ordering off an FSS or FSS BPA, the MOT is no longer the threshold that determines whether or not the ordering contracting officer must seek a price reduction, obtain at least three quotes, etc. That threshold is now the SAT. However, the MOT still has a purpose in FSS contract terms and conditions as it relates to the Price Reductions clause (52.238-75) and the Maximum Order Limitation clause (I-FSS-124).

GSA Resources

FAS's Office of Acquisition Management has prepared two new training videos that outline the new rule and the easiest way for ordering activities to comply. Please view, and direct customers to our new training videos at www.gsa.gov/masnews:

- ***Section 863:*** This presentation provides a detailed before-and-after look into the ordering procedures, showing specifically which FAR rules have changed and how to best comply with the new rules.
- ***eBuy:*** This video shows how to use GSA's Request for Quote (RFQ) tool. It helps to maximize competition and meet the new requirements. In addition, an audio podcast is available explaining how eBuy is an efficient way to satisfy the new rule. ■

GSA Investing in MAS Contractors' Success Through Contractor Readiness and Sustainment CPI Project

The Contractor Readiness and Sustainment Continuous Process Improvement (CPI) Project continues to make strides toward completion. The goal of the project is to increase the probability of Multiple Award Schedule (MAS) contractors' success throughout the contract lifecycle. This project is a collaborative initiative of the Business Breakthrough Program. The Business Breakthrough Program and the Contractor Readiness and Sustainment Project both focus on helping small to middle-sized businesses flourish and grow in the federal market.

Using Lean Six Sigma methodology, GSA Federal Acquisition Service (FAS) is working toward understanding the underlying reasons why there are many underperforming Schedule contracts. The team is utilizing a balanced and phased approach to address root causes of the problem and to refine processes and tools during both pre- and post-award phases. A key objective of the pre-award work is to help ensure businesses have realistic expectations of what it takes to be a successful MAS contractor. During the post award, the primary objective is to develop and/or enhance FAS processes, tools, and actions to help contractors sustain success – achieving a minimum of \$25,000 at each of the performance periods outlined in I-FSS 639 Contract Sales Criteria (March 2002).

Based on analyses of internal databases, reviews of government consulting literature, and web analysis, there were several key findings that have emerged:

- GSA needs to be more transparent and assertive in communicating the “hard story” regarding the level of consistent effort and resources contractors need to successfully compete in the federal market space.
- When applying the strictest interpretation of the contract sales criteria to our sample of 18,146 contracts, a significant percentage were unsuccessful during all eligible performance periods outlined in the minimum sales clause.
- The percent of successful Small Business MAS contractors were greater than the percent of successful Other Than Small Business MAS contractors; however, Other Than Small Business contractors accounted for the greatest proportion of sales.
- Years of commercial performance and experience do not translate into predictable success in the federal market space;
- The current FAS process for off ramping unsuccessful contractors is inconsistent across FAS.
- In reviewing the number of days to first sale for the top five revenue producing Multiple Award Schedules, it took a median of 268 days to reach the first sale over \$100K.

Building upon current practices, processes and initiatives already in place (or in progress), the team is finalizing its two-phased implementation of project deliverables. The first phase of improvements are planned for late summer. For additional information, you can contact Project Sponsors, Kathy Colomo, kathy.colomo@gsa.gov and Judith Nelson, judith.nelson@gsa.gov. ■



New Series of Videos Help Vendors Market More Successfully to the Federal Government

A new series of informational videos designed to help GSA Schedules vendors will be available for viewing soon.

Created through a collaborative effort of the GSA/FAS/ General Supplies and Services Acquisition Centers, and narrated by Geri Haworth, Business Management Director with the Management Services Center, this series of four short videos is called GSA Schedules Training for Vendor Success.



This comprehensive training series reviews the basics of federal contracting and highlights the value of the GSA Schedules program. Current GSA vendors will learn the differences between the myth and the reality of being a GSA contract holder as well as how the government procurement process works, and the many ways the GSA Schedules program benefits both government agencies and vendors.

The videos will provide an understanding and appreciation of the roles and responsibilities of both GSA and your organization as part of the Schedules program. They also review many of the online tools and resources available to assist vendors with market research and lead generation.

“We hope the videos will give vendors some new ideas on how they can promote their contractor status to potential customers,” Haworth said. “We want them to make themselves more visible to agencies as companies who can meet their needs. At the end of the video series, vendors will have a better understanding of how to get noticed by buyers, stay relevant, and improve their marketing and business development efforts.” ■

“Our goal is to help GSA Schedules vendors better understand the federal procurement process,” said Haworth, “and become more successful at selling to the government.”

The videos cover four key areas:

- What You Should Know About Federal Contracting
- GSA’s Role in the Schedule Program
- Contractor’s Role in the Schedule Program
- Marketing to the Federal Government

GREEN CORNER

Greening the Government

Join the GSA Interact community

GREEN ACQUISITIONS

<http://interact.gsa.gov/groups/green-acquisition>
to participate in the discussion of federal government green initiatives.

